Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the matter of	)	
	)	IB Docket No. 95-22
Market Entry and Regulation of	)	RM-8355
Foreign-affiliated Entities	)	RM-8392

COMMENTS OF BT NORTH AMERICA INC.

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SUMMARY

The Commission should issue a policy statement welcoming and encouraging participation in the U.S. international telecommunications market by foreign telecommunications service providers if markets in which they are dominant offer effective market access to competitors. "Effective market access" should mean that the foreign administration in a market in which the foreign carrier is dominant has a policy, fully implemented in practice and not just in pronouncement, with at least the following elements:

- Competition in the provision of basic as well as enhanced communications services, including both international and domestic simple resale and facilities-based competition.
- U.S. and other foreign nationals should be permitted to take significant investment stakes in, or control of, facilities-based and resale carriers.
- Cost allocation rules to prevent cross-subsidization between regulated and unregulated services.
- Published, nondiscriminatory charges, terms and conditions for resale of and interconnection with the facilities of the dominant carriers.
- Timely and nondiscriminatory disclosure by the dominant carriers of technical information necessary for such resale or interconnection.
- Protection of carrier and customer proprietary information.
- Enforcement of these safeguards by an independent regulatory body with fair and transparent procedures.

However, the level of accounting rates would not be an appropriate element in the effective market access standard.

The effective market access standard should apply to proposed investment of 10% or more in, or control of, a U.S. international carrier where it and its foreign affiliate would correspond, resell one another's facilities or interconnect. All such affiliations should be subject to prior approval, not simply notification as the Commission proposes. All applications for entry into the U.S. market should be granted as long as the effective market access test is met and the applicant is legally qualified and there is no issue of national security. Other factors may warrant U.S. entry, even if some of the elements in the effective market access standard are not met.

Conditions on Section 214 authorizations of carriers with foreign affiliations will adequately address potential discrimination; today's dominant carrier regulation should be eliminated. All agreements governing international basic service alliances should be filed pursuant to Section 43.51 of the Commission's rules and should be placed on public notice with opportunity for public comment before they become effective.

The effective market access stamdard has no place in decision-making under Section 310(b)(4). The legislative history of Section 310(b) makes clear that the sole criterion for a Section 310(b)(4) analysis should be protection of national security.

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To: The Commission

COMMENTS OF BT NORTH AMERICA INC.

BT North America Inc. ("BTNA"), by its attorneys, submits the following comments in response to the Federal Communications Commission's ("Commission") Notice of Proposed Rulemaking ("Notice") in the above-captioned proceeding. 1/

I. INTRODUCTION

In this proceeding the Commission is considering the adoption of a policy and rules governing the participation of foreign telecommunications carriers in the U.S. telecommunications marketplace. The Commission proposes the adoption of an entry standard, a framework for establishing to whom the standard would apply and procedures for implementation and enforcement of the standard.

Although the participation of foreign carriers in the U.S. market is not new, there is an increasingly higher profile for global telecommunications driven by

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1/ Market Entry and Regulation of Foreign-affiliated Entities, IB Docket No. 95-22, RM-8355, RM-8392 (released February 17, 1995). The Notice was issued in response to Petitions for Rulemaking filed by AT&T ("AT&T Rulemaking Petition") and IDB Worldcom, Inc.

both international carriers and their multinational customers. This trend toward globalization is manifest not only in the demands of customers seeking seamless services around the world and in international carrier alliances like AT&T World Partners, the Sprint/DT/FT agreement, and the BT/MCI Concert venture but also in the declarations of governments, advocating open and competitive telecommunications markets and the establishment of national and global information infrastructures. Because the globalization of telecommunications markets is resource and capital intensive, it is both appropriate and timely that the Commission review its policies with respect to telecommunications market entry and investment opportunities for foreign firms in the U.S.

BTNA supports the Commission's initiative. As explained below, the Commission should issue a policy statement that explicitly recognizes that participation of foreign firms in the U.S. international marketplace is -- under appropriate conditions -- welcomed and encouraged. The policy should establish an entry standard that is clear, specific and pragmatic. The standard should apply to foreign carriers which are dominant in their home markets and seek investment of 10% or more in, or control of, facilities-based U.S. international carriers. Such investments should be subject to prior approval under Section 214.

II. FOREIGN CARRIERS SHOULD BE PERMITTED TO PARTICIPATE IN THE U.S. INTERNATIONAL MARKETPLACE IF MARKETS IN WHICH THEY ARE DOMINANT OFFER EFFECTIVE MARKET ACCESS

A. The Entry Standard Should Be Clear, Specific and Pragmatic

The Commission should issue a Policy Statement providing that participation in the U.S. international telecommunications market by foreign telecommunications service providers will be permitted if markets in which they are dominant offer effective market access to competitors. For the policy to achieve its

purpose, the standard must be clear, specific -- and pragmatic. "Effective market access" should mean that the foreign administration in a market in which the foreign carrier is dominant has a policy, fully implemented in practice and not just in pronouncement, with at least the following elements:

- Competition in the provision of basic as well as enhanced communications services, including both international and domestic simple resale and facilities-based competition.
- U.S. and other foreign nationals should be permitted to take significant investment stakes in, or control of, facilities-based and resale carriers.
- Cost allocation rules to prevent cross-subsidization between regulated and unregulated services.
- Published, nondiscriminatory charges, terms and conditions for resale of and interconnection with the facilities of the dominant carriers.
- Timely and nondiscriminatory disclosure by the dominant carriers of technical information necessary for such resale or interconnection.
- Protection of carrier and customer proprietary information.
- Enforcement of these safeguards by an independent regulatory body with fair and transparent procedures. 2/

The Commission's proposal to include as an element of effective market access "the ability . . . to provide basic, facilities-based services," requires clarification. 3/ Insisting on the ability of U.S. carriers to establish their own new, or to control existing, foreign facilities-based international carriers would be

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2/ Notice at ¶ 40.

3/ Id.

requiring more than any foreign carrier has asked of the U.S. In a few instances, foreign carriers have acquired noncontrolling shares of U.S. international facilities-based carriers, but no foreign carrier has been authorized to control a major U.S. international common carrier. 4/ On the other hand, it is reasonable to insist on the ability of American companies to take non-controlling investment stakes in foreign carriers, if foreign carriers expect to do the same in the U.S. Similarly, foreign control of a U.S. international facilities-based carrier should be permitted if U.S. companies have the same opportunity in the home country of the foreign carrier seeking control. 5/

The Commission is right to reject AT&T's call for adoption of mirror reciprocity with U.S. market structure and regulation as a condition of U.S. market participation by foreign carriers. 6/ To set a standard that effectively requires a foreign country to replicate U.S. policy is to set a standard that will not be met. Moreover, countries surely have something to learn from one another as they develop their competitive marketplaces. The Commission should allow the experience of other nations to inform its policymaking, while ensuring that fundamental principles of competition are maintained. In order to establish a

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4/ See Telefonica Larga Distancia de Puerto Rico, 8 FCC Rcd 106 (1992). Telefonica de Espana was permitted to acquire Telefonica Larga Distancia which owns some international circuits incidental to its domestic long distance operations. See also AmericaTel Corporation, 9 FCC Rcd 3993 (1994).

5/ There is an issue as to whether the bilateral approach proposed by the Commission is consistent with the multilateral focus of the GATS negotiations which is advocated and supported by other U.S. government agencies and other governments. The effective market access standard proposed here could also be implemented in the form of a multilateral agreement.

6/ Notice at ¶ 41.

credible market-opening policy and achieve the goals of strengthening competition at home and increasing it abroad, the standard of effective market access should focus on the fundamental structural elements and regulatory safeguards essential to a competitive environment, as proposed above.

This proposed policy will establish a standard with greater certainty than today's ad hoc approach, lending predictability to business planning by carriers in the U.S. and abroad. Carriers could more realistically assess investment opportunities, or plan competitive responses to such investments. Because U.S. market entry is surely a keystone of the strategic plans of many foreign carriers, a policy welcoming their participation subject to clear and pragmatic conditions of effective market access would encourage market liberalization in foreign countries. Whether foreign carriers become additional competitors in the U.S. market or strengthen American carriers through investment, the net effect of this Commission policy would be to increase competition in the U.S. and abroad to the significant benefit of U.S. consumers.

B. The Level of Accounting Rates is Not an Appropriate Element of the Effective Market Access Standard

AT&T argues that a foreign carrier should not be permitted to compete in the U.S. marketplace unless it can show that its U.S. accounting rate is set at cost. 7/ This contention confuses means with ends. Competition through effective market access should drive accounting rates to cost without involving the Commission in passing upon the costs of carriers that are subject to foreign jurisdictions. This principle is evident in AT&T's recent ex parte filing concerning

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7/ AT&T Rulemaking Petition at 6.

BTNA's international simple resale authorization. 8/ Commenting on the current AT&T-BT accounting rate, AT&T purports to show that, using facilities and services provided by BT and its competitors, AT&T could provide an end-to-end service on the U.S.-U.K. route at less cost than it incurs through its correspondent relationship with BT. The large number of operators entering the U.S.-U.K. ISR market appears to demonstrate that resale is a viable alternative to provision of U.S.-U.K. service on a correspondent basis. AT&T holds its own resale authorizations in both the U.S. and the U.K., and is free to provide U.S.-U.K. service by means of ISR, if it chooses to do so. 9/ It may be expected that the activities of resellers will put pressure on accounting rates, which is what the Commission's international resale policy is designed to achieve. 10/ Competition among facilities-based providers on both the U.S. and foreign ends should accomplish the same objective.

AT&T's insistence on accounting rate adjustments as a condition of market entry also ignores the fact that traffic levels are a relevant and important factor in the establishment of accounting rates. Unless an accounting rate reduction is passed along to consumers in the form of reduced collection rates, lower accounting rates will not stimulate more traffic. For example, despite substantial

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8/ AT&T Ex Parte Comments File No. ITC-93-126, March 22, 1995.

9/ AT&T and AT&T (U.K.) Limited, File No. ITC-93-162, DA 95-119 (released January 30, 1995). AT&T's U.K. license was granted by the Secretary of State for Trade and Industry to AT&T (U.K.) Limited under Section 7 of the Telecommunications Act 1984 (December 20, 1994). For the purposes of the license granted to AT&T (U.K.) Limited, the Secretary of State designated the U.S. and certain other countries as countries or territories to which AT&T (U.K.) Limited was permitted to provide international single resale ("ISR").

10/ Regulation of International Accounting Rates, 7 FCC Rcd 559, ¶ 16 (1991).

reductions in the U.S.-U.K. accounting rate, U.S. carrier tariff prices for U.K.-bound calls have not been reduced significantly. 11/ It is unrealistic to expect any correspondent to agree to continuing reductions in accounting rates if U.S. carriers do not reduce collection rates.

C. Applications Should Be Granted if the Effective Market Access Standard Is Met, But Other Factors May Warrant U.S. Entry, Even if the Standard Is Not Met

The effective market access standard should be applied consistently if it is to clarify U.S. entry policies and encourage liberalization abroad. American carriers and prospective foreign entrants should know that if the standard is met, then the affiliation will be approved. The Commission's suggestion that U.S. entry may be denied even if the effective market access standard is satisfied will exacerbate the uncertainty the Commission is trying to eliminate and undermine the credibility of the policy. 12/ There should be no regulatory factors that warrant denial of an application that meets the effective market access standard (unless an applicant is not legally qualified under applicable legal, technical and financial requirements) except where the Executive Branch determines that grant of the application would threaten national security. At the same time, failure to meet the

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11/ For example, AT&T's standard rates remained unchanged from March 1991 to August 1993 when they were subsequently increased by approximately 2%. Even today, following AT&T's January 1995 rebalancing, the cost of a 6-minute standard rate call from the U.S. to the U.K. is higher than at any time in the last four years, while a 3-minute standard rate call has decreased by only 4%. Over this same period, 1991 to the present, BT has reduced its outbound IDD collection rate from £0.68/minute to £0.37/minute, a net decrease of 50%. These reductions in U.K. to U.S. collection rates have been initiated despite losses in settlement revenues to BT.

12/ Notice at ¶ 41.

standard should not be an absolute bar to participation in the U.S. international telecommunications marketplace. In some cases, other factors, such as competition in other relevant markets, may warrant an affirmative public interest finding under Section 214.

III. THE STANDARD SHOULD APPLY TO AFFILIATIONS INVOLVING INVESTMENTS OF 10% OR MORE (OR CONTROL) WHERE AFFILIATES WOULD CORRESPOND, RESELL ONE ANOTHER'S FACILITIES OR INTERCONNECT

A. The Standard Should Apply to Affiliations Involving Investment of 10% or More (or Control)

The Commission should apply the effective market access standard to proposed investment of 10% or more in, or control of, a U.S. international carrier by a foreign carrier dominant in its home market. It is reasonable to presume an incentive to discriminate under those circumstances. 13/ As the Commission notes, there is significant precedent for the use of this threshold. For example, waivers issued under the AT&T Consent Decree permit Regional Bell Operating Company investment in foreign telephone companies providing international basic services in conjunction with U.S. correspondents. 14/ Similarly, the Securities and Exchange

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13/ For the purpose of determining whether a U.S. carrier should be regulated by the Commission as dominant for service to a country in which the carrier's affiliate is dominant, the Commission defines affiliation as a controlling interest (de jure or de facto). See § 63.01(r)(1)(i). The lower 10% investment threshold is appropriate for the more significant consideration of whether a foreign carrier that is dominant in its home market should be permitted to participate in the U.S. international marketplace.

14/ See United States v. Western Electric, et al., No. 82-0192 (D.D.C. Feb. 4, 1993) (Blanket waiver allowing RBOC investment in foreign carriers up to 10%.). See also United States v. Western Electric Company, Inc., 1989-1 Trade Cases P. 68, 444 (1989) (Waiver granted to Pacific Telesis Group to provide

[Footnote continued]

Act of 1934 requires any 10% or greater shareholder of a public company to file periodic reports with the SEC. 15/

Where dominant foreign carriers with an "identity of interests" would co-invest in a U.S. international carrier, their interests should be aggregated for the purpose of determining whether the 10% (or control) threshold is met, and the effective market access standard should be applied to each investor. The identity of interests approach has been employed by the Commission in determining affiliations under the Personal Communications Services rules. 16/ Parties that have been co-investors in other, relevant business ventures are generally considered to have an identity of interests when they invest together in a PCS licensee. Their interests are aggregated when assessing compliance with revenue, share ownership and other restrictions. By aggregating ownership where dominant foreign carriers have an identity of interests, the Commission will prevent an alliance of foreign operators that invests in a U.S. international carrier from escaping Commission scrutiny under the effective market standard because

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[Footnote continued]

international service between Japan and North America through acquisition of a 8.5% equity interest in IDC.).

15/ Section 16A of the Securities and Exchange Act of 1934. The SEC also employs a 5% threshold for certain other reporting requirements. Regulation 13d of the Securities and Exchange Act of 1934. For attribution purposes, the Commission itself uses both a 5% and a 10% threshold. See e.g., 47 C.F.R. §§ 20.6 and 24.813(a). BTNA would not oppose a 5% cut-off but believes that the use of 10% allows some flexibility.

16/ 47 C.F.R. § 24.720(l).

individual investment shares of the members of the alliance are each under 10%. 17/

B. The Effective Market Access Standard Should Apply Whenever Affiliates Would Correspond, Resell One Another's Private Lines Or Interconnect.

Because there is incentive and ability to discriminate when a U.S. international carrier and a foreign affiliate correspond, resell one another's private lines or interconnect, the effective market access standard should apply in those instances. There is no need to apply the standard to investment by a foreign carrier where such relationships do not exist. For example, no special scrutiny is necessary where a U.S. international carrier proposes to affiliate with a foreign carrier that provides only domestic service in its home country, so long as there is an unrelated international service provider interposed between the two. A similar principle has governed Regional Bell Operating Company waivers to provide international service under the AT&T Consent Decree 18/. Nor should the Commission apply the standard only when a new affiliation is proposed. The standard should apply to Section 214 applications in which previously affiliated carriers propose, for the first time, to correspond, resell one another's private lines or interconnect. There is also no reason to exempt from application of the standard

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17/ For example, A and B are dominant PTTs that have formed an alliance. A holds a 7% interest in C, a U.S. international carrier. B proposes to purchase a 7% interest in C. A and B have an identity of interest due to their alliance. Therefore, the proposed investment of B in C should trigger the application of the effective market standard because the combined investments of A and B would be equal to or greater than 10%.

18/ See United States v. Western Electric, et al., No. 82-0192 (D.D.C. Feb. 4, 1993).

affiliations with foreign operators that do not carry significant amounts of U.S. traffic. 19/ The potential for anti-competitive practices among affiliates on any route, regardless of size, should not be ignored.

IV. ALL AFFILIATIONS SHOULD BE SUBJECT TO PRIOR APPROVAL, NOT NOTIFICATION

The Commission proposes that carriers simply notify it of a new affiliations. 20/ In a procedure similar to determinations under Section 310(b)(4), the Commission invites petitions for declaratory ruling seeking Commission clearance under the effective market access standard. The problem with this approach is that notification could occur after the affiliation has taken place. The filing of petitions for declaratory rulings is discretionary, providing no assurance that the Commission will have sufficient opportunity to review the transaction before it takes place. The Commission suggests that a carrier's existing Section 214 certificates could be set for hearing if an affiliation the Commission did not review later raises material issues. Because setting a carrier's Section 214 certificates for hearing is a drastic step, the reality is that the Commission may be less inclined to take that action after an affiliation occurs, undermining the credibility of the proposed procedure. If the Commission has the authority to set a carrier's existing Section 214 certificates for hearing to review an affiliation, then the Commission also has the authority to require the filing of a Section 214 application to implement the affiliation. In order to assure adequate review under the effective market

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19/ Notice at ¶ 43.

20/ Notice at ¶ 51.

access standard, affiliations should be subject to prior approval under Section 214. 21/

V. CONDITIONS ON SECTION 214 AUTHORIZATIONS OF CARRIERS WITH FOREIGN AFFILIATIONS WILL ADEQUATELY ADDRESS POTENTIAL DISCRIMINATION; OTHER DOMINANT CARRIER REGULATION SHOULD BE ELIMINATED

Carriers meeting the effective market access standard should be subject to reporting and other conditions on their Section 214 authorization that would minimize the potential for discrimination. These conditions should include observance of the Commission's no special concessions requirement in § 63.14 of the rules, availability for Commission review of records concerning maintenance and provision of facilities and services to affiliates and the regular § 43.61 reporting requirements. 22/

21/ The declaratory ruling procedure proposed by the Commission is used in Section 310(b)(4) determinations because that provision does not require prior approval. Section 214, on the other hand, does require prior approval.

22/ To avoid confusion, the Commission should amend and standardize the special concessions prohibitions which now appear in slightly different forms in the Commission's rules and conditions placed on Section 214 authorizations. Compare §§ 63.01(r)(3) and 63.14 with BT North America Inc., File No. ITC-93-126 DA 95-120, (released January 30, 1995) at ¶ 15; BT North America Inc., 9 FCC Rcd 6851 (1994) at ¶ 20; MCI Communications Corporation and British Telecommunications plc, 9 FCC Rcd 3960 (1994) at ¶¶ 63, 69. In addition, the Commission should clarify that the special concessions prohibition is not intended to apply to affiliations with foreign reseller "counterparts" of authorized U.S. resellers. A U.S. reseller typically has exclusive arrangements with its counterparts which could technically be in violation of the no special concessions obligation. Moreover, § 63.01(r)(7) technically requires a special demonstration if a counterpart is to be considered non-dominant. And, because a counterpart may be an "affiliate" pursuant to § 63.01(r)(1)(i), § 63.12(c)(2) may deny many applicants "streamlined" treatment to which they would otherwise be entitled. The Commission has previously noted that such counterparts should not pose a threat of discrimination. Regulation of International Common Carrier Services, 7 FCC Rcd 7331, 7334 (1992) at ¶ 20 and

[Footnote continued]

Congruent with its proposal to employ conditions on Section 214 authorizations to guard against discrimination, the Commission proposes to end the 45 day tariff notice and cost support requirements now applied to carriers that are dominant by virtue of foreign affiliations. 23/ Those requirements diminish competition by forcing some competitors, but not others, to reveal their cost data and announce prices and service descriptions far in advance of implementation. The requirement for circuit-by-circuit authorizations for carriers affiliated with dominant foreign carriers, which the Commission proposes to continue, is also anti-competitive. 24/ The effective market access standard, combined with the proposed conditions on Section 214 authorizations, will provide fully adequate safeguards against discrimination. The current dominant carrier regulation based on foreign affiliation established in International Competitive Carrier Policies, 102 FCC 2d 812, 842-43 (1985) at ¶¶ 72-73 is itself discriminatory and should be terminated.

VI. AGREEMENTS GOVERNING INTERNATIONAL BASIC SERVICE ALLIANCES SHOULD BE REVIEWED BY THE COMMISSION

The Commission suggests that agreements concerning international service alliances should be filed under § 43.51 of the rules. 25/ BTNA agrees with this proposal, but urges that, in addition to requiring the filing of such agreements,

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[Footnote continued]

n.41. The Commission should rule that resale counterparts are nondominant, and are subject neither to the no special concession obligation nor the § 63.12(c)(2) exception.

23/ 47 C.F.R. §§ 61.38 and 61.58.

24/ See 47 C.F.R. § 63.07(b).

25/ Notice at ¶ 63.

they also should be placed on public notice with opportunity for public comment before they go into effect.

Alliances should receive careful scrutiny to ensure that there is no ability or incentive for discrimination. Equity interests in a jointly held company or the provision of equipment or software to alliance participants, among other matters, could lead to anticompetitive practices. For example, the Commission describes World Partners, AT&T's alliance with several monopoly or dominant PTTs, as nothing more than a "co-marketing" arrangement, although the Commission has never formally reviewed the relevant agreements. 26/ Press reports indicate that World Partners and its related Uniworld venture, will involve initially an investment of at least $100 million in the Asian/Pacific region and another $350 million in Western Europe 27/. While the agreements establishing Concert, the BT/MCI joint venture, were publicly filed and reviewed by the Commission, little is known about the arrangements which govern World Partners and Uniworld and the extent to which the shared owners and other members of

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26/ Id.

27 On June 23, 1994, AT&T announced a new alliance with Unisource, an alliance of Dutch, Swiss and Swedish telecommunications organizations. *See* "Phone Alliances May Raise Antitrust Worries in Europe," Wall Street Journal Europe, June 24, 1994, at 3. This new alliance is named "Uniworld," with its equity held 60% by Unisource and 40% by AT&T. AT&T press release (Brussels, December 12, 1994). Subsequently, the Spanish operator Telefonica has chosen to join Unisource. The combinations of World Partners and Unisource, and Unisource with Telefonica have caused concern among European Commission competition authorities. "Commission Begins Inquiry into Proposed Telecom Deals," Wall Street Journal Europe, March 23, 1995, at 2. *See also* "Commission Examines Strategic Alliance..." Agence Europe, March 23, 1995, at 9. The European Commission has begun an examination of Unisource and its connection to AT&T. European Commission Spokesman's Service Press Release, March 22, 1995.

these alliances have the incentive to discriminate against competitors with respect to marketing of alliance services, interconnection, return traffic and provisioning and maintenance of facilities. Whether or not World Partners or Uniworld are exclusive arrangements is beside the point; discriminatory incentives may be built into the ventures.

BTNA agrees with the Commission that exclusive co-marketing arrangements should be subject to entry regulation, including the effective market access standard. 28/

VII. THE SOLE CRITERION FOR A SECTION 310(B) ANALYSIS SHOULD BE PROTECTION OF NATIONAL SECURITY.

The legislative history of Section 310(b) and antecedent provisions reveals a consistent purpose -- protecting U.S. national security interests. As restrictions on foreign participation in communications evolved, Congressional intent remained constant. Successive bills and statutes proposed various means of detecting alien influence, but they all sought to ensure that national security was protected. This intent was recognized by the U.S. Court of Appeals for the D.C. Circuit as recently as 1991, when it emphasized that Section 310(b)(4) "was designed . . . to 'prevent[ ] alien activities against the Government during the time of war." Coalition for the Preservation of Hispanic Broadcasting v. FCC, 931 F.2d 73, 79 (D.C. Cir.) (quoting Noe v. FCC, 260 F.2d at 741 (quoting 68 Cong. Rec. 3037 (1927) (remarks of Sen. Wheeler))), cert. denied, 502 U.S. 907 (1991).

Because the sole criterion for analysis under Section 310(b) is protection of national security, the Commission should not evaluate competitive

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28/ Notice at ¶ 63.

market entry considerations under this provision. Should the Commission decide nonetheless to administer section 310(b) on a basis that recognizes competitive factors, then it should apply exactly the same effective market access standard as proposed for evaluation of foreign entry under Section 214.

VIII. CONCLUSION

The Commission should adopt a policy permitting foreign participation in the U.S. market pursuant to an effective market access standard. The standard should be clear, specific and pragmatic, and should apply to foreign carriers which are dominant in their home markets and propose investment of 10% or more in, or control of, facilities-based U.S. international carriers. All such investments should be subject to prior approval under Section 214.

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Dated: April 11, 1995

CERTIFICATE OF SERVICE

I, Kathy Bates, do hereby certify that on this 11th day of April, 1995, a copy of the Comments of BT North America Inc. was hand delivered to the parties listed below.

Kathy Bates

Dated: April 11, 1995

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